



The State of New Hampshire  
**Department of Environmental Services**

**Thomas S. Burack, Commissioner**



February 10, 2016

The Honorable Jeb Bradley, Chair  
Energy and Natural Resources Committee  
State House, Room 100  
Concord, New Hampshire 03301

**Re: Senate Bill 492, relative to expenditures from the renewable energy fund**

Dear Chair Bradley and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 492. This bill modifies the allocation of rebates to residential customers from the energy efficiency fund (EEF) and increases the amount of funds that are utilized for energy efficiency projects and programs. More specifically, SB 492 increases the amount of funds dedicated to low-income residential customers and for municipal, school district and local government efficiency projects, and directs any remaining funds to a fuel-neutral energy efficiency program. The New Hampshire Department of Environmental Services (NHDES) supports this bill.

Most RGGI states already invest the majority of their proceeds in energy efficiency (62% of total RGGI cumulative investments)<sup>1</sup> due to the high rates of return from those investments. The "*NH Greenhouse Gas Emissions Reduction Fund Annual Evaluation (July 2011 – June 2012)*"<sup>2</sup> indicated that each dollar invested in energy efficiency resulted in \$4.95 in energy savings. One concern regarding investments in energy efficiency is that such investments are perceived as only benefiting those individuals, municipalities, and businesses directly receiving EEF funds. To the contrary, any investment in energy efficiency directly benefits *all* New Hampshire citizens and ratepayers by reducing the overall demand for electricity, reducing the additional capital investment in generation, transmission and distribution by electricity providers. In particular, the high costs of "peaking" plants to meet demands on the hottest days of the year are reduced or avoided. These costs, which can be avoided through efficiency investments, are ultimately passed on to all of New Hampshire's energy consumers, including residences, businesses and municipalities. Thus, investments in energy efficiency ultimately reduce costs for everybody. In addition, investment of RGGI proceeds in municipal, school and local government efficiency projects helps to reduce those communities' operating expenses, thus reducing local property taxes.

<sup>1</sup> "Investment of RGGI Proceeds Through 2013" <http://rggi.org/docs/ProceedsReport/Investment-RGGI-Proceeds-Through-2013.pdf>

<sup>2</sup> "NH Greenhouse Gas Emissions Reduction Fund Annual Evaluation (July 2011 – June 2012)" [http://puc.nh.gov/Sustainable%20Energy/GHGERF/Evaluations/GHGERF Year%202011-12 FINAL.pdf](http://puc.nh.gov/Sustainable%20Energy/GHGERF/Evaluations/GHGERF%20Year%202011-12%20annual%20report%20FINAL.pdf)

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An independent report by the Analysis Group<sup>3</sup> found that the investment of RGGI proceeds in the region during the first three years of the program (2009-2011):

- Will generate \$1.6 billion in net economic benefits region-wide through the end of the decade;
- Puts \$1.1 billion in electricity bill savings back into the pockets of consumers in the region over the next decade;
- Creates 16,000 job-years in the region; and
- Keeps \$765 million in the local economy due to reduced fossil fuel demand.

Further investments made since that time will surely amplify these benefits. Accordingly, New Hampshire ratepayers would be well-served by increasing the investment of our RGGI proceeds in energy efficiency.

Thank you again for the opportunity to comment on SB 492. Should you have further questions or need additional information, please feel free to contact either Craig Wright, Director of the Air Resources Division (271-1108, [craig.wright@des.nh.gov](mailto:craig.wright@des.nh.gov)) or Michael Fitzgerald, Assistant Director of the Air Resources Division (271-6390, [michael.fitzgerald@des.nh.gov](mailto:michael.fitzgerald@des.nh.gov)).

Sincerely,



Thomas S. Burack  
Commissioner

cc: Sponsors SB 492: Sens. Feltes, Fuller-Clark, Little, Boutin, Stiles; Reps. Richardson, Introne, Devine

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<sup>3</sup> "The Economic Impacts of the Regional Greenhouse Gas Initiative on Ten Northeast and Mid-Atlantic States – Review of the Use of RGGI Auction Proceeds from the First Three-Year Compliance Period" November 15, 2011  
[http://www.analysisgroup.com/uploadedFiles/Publishing/Articles/Economic\\_Impact\\_RGGI\\_Report.pdf](http://www.analysisgroup.com/uploadedFiles/Publishing/Articles/Economic_Impact_RGGI_Report.pdf)

